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SUBJECT: CONTAINER PORT RELOCATION SPARKS ANGRY DEBATE

1. (U) SUMMARY: In a little publicized decision in April, the GCOB signed an agreement to relocate Nassau's busy downtown container port to Arawak Cay, a site 6 miles to the west. The decision reignited angry debate beginning in July when plans moved forward to begin dredging the harbor. Opposition Senator Jerome Fitzgerald spearheaded an opposition campaign to overturn the decision. Despite the relocation controversy the harbor dredging began on August 17. The dredging is expected to deepen and widen the port of Nassau to accommodate mega cruise ships scheduled to begin calling on Nassau in December. END SUMMARY.

NEW PORT EXPECTED TO BOOST
AILING ECONOMY

2. (U) Prime Minister (PM) Hubert Ingraham signed an agreement on April 2 with Dutch company Boskalis to dredge Nassau Harbor and extend Arawak Cay 1,000 feet to accommodate the new container port development project. The agreement outlined the initial steps in the overall plan to revitalize downtown Nassau. To facilitate the port move the government mediated the creation of the Arawak Cay Port Development Company (ACPDC), a coalition of shipping interests, which will fund the \$50-\$60 million project. The ACPDC expects to complete the container port development by the end of this year.

3. (U) Upon completion of the harbor dredging, The Bahamas will be able to berth the new Gensis class cruise ships scheduled to arrive Nassau in December. Because these cruise ships can accommodate between 5,400 to 6,400 passengers, it is hoped they will provide a much needed boost to the struggling tourist industry.

4. (U) Arawak Cay (formerly Kelly Island) is a man-made island. It was created in 1966 as a "cultural site" but has since become an acknowledged eyesore. Its most prominent feature was a dilapidated Customs and Immigration building now used as a warehouse. Arawak Cay lies between the downtown strip and Cable Beach resort area. Saunders Beach, often referred to as "the people's beach," lies just a few hundred yards to the west of the proposed new container port at the cay. Saunders is one of the few beaches on New Providence that is publically accessible to local Bahamians.

PLP CHARGES FNM WITH CORRUPTION
AND ENVIRONMENTAL DEGRADATION

5. (U) Members of the opposition party and their supporters have strongly contested the Arawak Cay port project. PLP Senator Jerome Fitzgerald and members of the "Save Saunders Beach" campaign have emerged as the leading opponent in the public debate. The PLP commissioned U.S. design firm EDAW to conduct a feasibility study on the redevelopment of downtown Nassau. The study rated the Arawak Cay site as the worst choice for the new container port. Fitzgerald maintains that the move will be environmentally hazardous, increase traffic congestion, and create an eyesore for incoming cruise passengers. His feelings were endorsed by former FNM MP, Tennyson

Wells, who believes the government's decision was influenced by "special interest groups." He also accused the government of lacking transparency in the decision making process.

¶6. (U) The government organized a town meeting on August 6 to respond to calls for more information on the project. Minister of the Environment, Earl Deveau, discussed the environmental impact, socio-economic factors and other positive aspects of the Arawak Cay site. He noted that the Clifton site, an alternative location, was dismissed over environmental concerns and cost. The meeting was forced to adjourn prematurely due to constant rowdy disruptions by the project's detractors. Senator Fitzgerald criticized contradictory statements by the Minister of Health and the Minister of Environment regarding the use of Saunders Beach during the dredging. Concerns were raised regarding general public access to the existing restaurants at Arawak Cay. However, the media has reported that the Arawak Cay Vendors Association supports the project.

¶7. (U) Despite government environmental studies indicating there would be no negative environmental effects to Saunders Beach, the public suspect that the extension and new container port will affect the water quality. These concerns have proved to be well founded as a major dredging mistake occurred on August 18 resulting in a white plume of turbid water thousands of feet long outside of the construction area. Additionally, there are further plans to build a bridge from the new container port on Arawak Cay to the mainland over Saunders Beach to route the trucks moving goods from the container port.

COMMENT

* Missing Section 002 *
